

**COUNTY OF YORK, VIRGINIA**  
Reconciliation of the Statement of Revenues, Expenditures, and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2004

Net change in fund balances - total governmental funds \$ 12,238,133

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation and the loss on disposal of capital assets in the current period.

Capital outlay expenditures	\$ 13,055,111	
Depreciation expense	(1,564,039)	
Loss on disposal of capital assets	<u>(145,416)</u>	11,345,656

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Land contribution	306,600	
Deferred revenue increased by this amount in the current year	<u>380,458</u>	687,058

Bond proceeds provide current financial resources to governmental funds, but issuing bonds increases noncurrent liabilities in the statement of net assets. Repayments of principal is an expenditure in the governmental funds, but the repayment reduces noncurrent liabilities in the statement of net assets.

Principal repayments	3,926,184	
Debt issued	(21,255,000)	
Premium on issuance of noncurrent debt, net	(206,800)	
Discount on issuance of noncurrent debt, net	198,952	
Debt issuance costs, net	<u>174,988</u>	(17,161,676)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Accrued interest payable	2,270	
Compensated absences	<u>(181,875)</u>	(179,605)

The internal service fund is used by management to charge the costs of fleet management to individual funds. The net income of the internal service fund is reported with governmental activities.

221,274

Change in net assets of governmental activities \$ 7,150,840

The accompanying notes are an integral part of the basic financial statements.